

## Department of Revenue

**Attach to Form 740, 740-NP or 741.**

*Use this form to calculate excludable retirement income.*

# 2006

Enter name(s) as shown on tax return.

Your Social Security Number

**Complete this schedule and file with Form 740 if:**

1. your taxable pension and retirement income from all sources is **greater than \$41,110**; and
  - (a) you are retired from the federal government, the Commonwealth of Kentucky or a Kentucky local government; or
  - (b) you receive supplemental U.S. Railroad Retirement Board benefits.

2. you file Form 4972-K, Tax on Lump-Sum Distributions.

**All others, STOP, you do not need to complete Schedule P. See instructions for Schedule M, line 9.**

## PART I—EXEMPT RETIREMENT INCOME

1. Enter on line (a) or (b) the amount of federal, Kentucky state and Kentucky local government pension and retirement income attributable to service credit earned before January 1, 1998, and supplemental U.S. Railroad Retirement Board benefits included on federal Form 1040, line 16(b) (Form 1040A, line 12(b)). Also include federal or Kentucky disability retirement income attributable to service credit earned before January 1, 1998.

- (a) If date of retirement is **before January 1, 1998**, enter here.

If date of retirement is before January 1, 1998, enter here:			
Names of Payers	Dates of Retirement	Spouse <b>A.</b>	Yourself <b>B.</b>
	<b>Total</b>		

- (b) If date of retirement is **after December 31, 1997**, complete the worksheet on the reverse of this form and enter here.

Names of Payers	Dates of Retirement	Taxable Pension	Exempt Percentage	Spouse A.	Yourself B.
			<b>Total</b>		

- |                                   |     |            |            |
|-----------------------------------|-----|------------|------------|
| (c) Add lines 1(a) and 1(b) ..... | (c) | <b>267</b> | <b>271</b> |
|-----------------------------------|-----|------------|------------|

**PART II—OTHER RETIREMENT INCOME (Not Included in Line 1(c))**

- |    |  |   |            |            |
|----|--|---|------------|------------|
| 2. | Enter the total of taxable retirement income not included in line 1(c) above as reported on federal Form 1040, line 15(b) or 16(b) (Form 1040A, line 11(b) or 12(b)). Also report other disability retirement income or deferred compensation included on federal Form 1040, line 7 (Form 1040A, line 7) ..... | 2 | <b>268</b> | <b>272</b> |
|----|--|---|------------|------------|

**PART III—TOTAL TO BE EXCLUDED THIS YEAR**

- |   |   |   |            |            |
|---|---|---|------------|------------|
| 3.  | Enter the lesser of line 2 or \$41,110.....   | 3 | <b>269</b> | <b>273</b> |
| 4.  | Add lines 1(c) and 3. Enter here and on Schedule M, line 9 (Form 740-NP, page 3,<br>line 10(b) or Form 741, line 11)..... | 4 | <b>270</b> | <b>274</b> |
| <b>Joint filers</b> —Combine lines 4(a) and 4(b) and enter on appropriate form. |   |   |            |            |

**Stop here unless you have a lump-sum distribution reported on Form 4972-K.**

**Form 4972-K Filers**—If line 3 is less than \$41,110, enter the amount on Form 4972-K, Part II, line 2.